

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN MATT MCCANN**, on February 1, 2001 at 8:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Matt McCann, Chairman (D)
Sen. Tom A. Beck (R)
Rep. Dave Kasten (R)
Sen. Jon Tester (D)
Rep. Steve Vick (R)

Members Excused: Sen. Bob Keenan, Vice Chairman (R)

Members Absent: None.

Staff Present: Jane Hamman, OBPP
Andrea Hyatt, Committee Secretary
Brian McCullough, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action: HB 9; HB 16

EXECUTIVE ACTION ON HB 9

CHAIRMAN MCCANN opened the Executive Action stating that **SEN. KEENAN** would not be able to attend and that he provided his Proxy to **CHAIRMAN MCCANN**. **EXHIBIT(jlh26a01)** Also, **REP. VICK** would be joining the committee in a few minutes; until then the committee discussed the balances in HB 9.

Brian McCullough provided the funding still available provided that all grants were funded; he provided a handout of the list of grants. **EXHIBIT(jlh26a02)** The capitol restoration was discussed

and **Carleen Layne, Accountant, Montana Arts Council**, responded. **Jane Hamman, OBPP**, provided further background information.

CHAIRMAN MCCANN stated how he would like to approach HB 9 by being aware of the committee amendments; then if we want to amend or work on certain projects, take those individually; then deal with any further amendments after they have approached the individual projects. **SEN. BECK** questioned if there were any plans to re-shuffle the priority list. **CHAIRMAN MCCANN** responded. The reference book for these grants is found in the Governor's Budget, State of Montana, Fiscal Years 2002-2003, Montana Cultural Trust, Cultural and Aesthetic Projects Advisory Committee, Volume 6 - Cultural and Aesthetic Grants Program.

EXHIBIT(jlh26a03)

{Tape : 1; Side : A; Approx. Time Counter : 71-148}

CHAIRMAN MCCANN presented his recommendation list of grants that he wanted to address and his reasons for his decisions: 1) Grant #917, Pg. 17, KUFM-TV: could reduce the project in half. 2) Grant #912, Pg. 12, Dept. of Music, MSU: recommend to move down below the funding line; 3) Grant #901, Pg. 28, Chief Plenty Coups State Park: drop from the list.

{Tape : 1; Side : A; Approx. Time Counter : 149-176}

REP. KASTEN presented his two recommendations and reasons: 1) #970, Pg. 71, Arlee Historical Society: he would like them to be fully funded. 2) #951, Pg. 52, Holter Museum of Art: he would suggest to either cut in half or take out entirely. He also has an amendment to offer before taking any other action. Discussion followed. **Jane Hamman and Carleen Layne** provided further background information on Grant #970.

{Tape : 1; Side : A; Approx. Time Counter : 190-441}

SEN. TESTER presented his recommendations and reasons: 1) Grant #901, Pg. 2, Chief Plenty Coups State Park: eliminate; 2) Grant #912, Pg. 12, Dept. of Music, MSU: eliminate; 3) Grant #906, Pg. 28, Montana Five Rivers Festival of Film: reduction; 4) Grant #917 KUFM-TV: defer to the committee's decision 5) Grant #951, Pg. 52, Holter Museum of Art: maintain. 6) Grant #952, Pg. 53, Livingston Depot Foundation: increase funding to \$15,000.00; 7) Grant #971, Pg. 72, Belt Public Library: full funding of \$16,500.00; 8) Grant #980, Pg. 81, Liberty Village Arts Center: raise to full funding; 9) Grant #947, Pg. 48, Fort Peck Community College: not sure should fund art supplies.

Discussion: CHAIRMAN MCCANN discussed Grant #906 and #917. Judy Ericksen, Cultural & Arts Committee, provided background on Grant #917. CHAIRMAN MCCANN and SEN. TESTER commented on Grant #951. SEN. TESTER suggested that Grant #952 receive \$15,000.00; Grant #971 receive \$16,500.00; #980 raise to \$2,000.00 or full grant.

{Tape : 1; Side : A; Approx. Time Counter : 386}

REP. VICK questioned if a project is increased does there have to be a corresponding decrease. Brian McCullough and Jane Hamman responded. Mark Browning, Cultural & Arts Advisory Committee, provided information about past funding being granted to a community college.

{Tape : 1; Side : A; Approx. Time Counter : 458 - 505}

SEN. BECK questioned Grant #923, Pg. 23, Mineral Museum and why there was zero funding; he was not in committee that day. CHAIRMAN MCCANN and Judy Ericksen responded. SEN. BECK asked if they could receive \$5,000.00 funding.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 50}

CHAIRMAN MCCANN discussed Grant #956, Pg. 57, Montana Association of Symphony Orchestras and his concern that they seem to provide administrative services and whether that fits under the cultural funding criteria. Carleen Layne and Judy Ericksen provided information. CHAIRMAN MCCANN decided to leave it in for now.

{Tape : 1; Side : B; Approx. Time Counter : 52 - 67}

SEN. BECK questioned Grant #914, Pg. 14, Helena Art Center with no funding. SEN. TESTER stated that they did not come in for the hearing.

NOTE: The amendment number is located in the lower right hand corner.

{Tape : 1; Side : B; Approx. Time Counter : 70 - 107}

REP. KASTEN presented an amendment #902 for discussion to strike lines on Page 1 of HB 9 which eliminates the general fund appropriations. EXHIBIT(jlh26a04) He also referred to the New Section on page 4, Section 4. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 108 - 148}

SEN. BECK provided some background history on the trust and his hope that the grants would be fully funded. **REP. KASTEN** responded.

{Tape : 1; Side : B; Approx. Time Counter : 149 - 186}

CHAIRMAN MCCANN stated that HB9 will remain open by request of the Financing Claims Chairman. He requested that **Brian McCullough** provide the committee with what the dollar amount would be if all the recommendations were followed. **REP. VICK** questioned an item in the Long Range Planning Section F, Pg. 24 about the C&A Funds and if it is appropriated in HB 2; and if it is funds coming out of the trust and does not show up in HB 9. **CHAIRMAN MCCANN** and **Jane Hamman** responded in the affirmative.

{Tape : 1; Side : B; Approx. Time Counter : 186 - 327}

REP. KASTEN stated that he had other amendments that he could present. **REP. VICK** stated his concerns and why he would support **REP. KASTEN'S** amendment. **SEN. TESTER** stated his concerns and that the committee should uphold the promises made in the 1997 session. **SEN. BECK** commented on the programs and how many of them reach children and the importance of HB 9. **REP. VICK** discussed about promises made and promises kept; an example was the Museum of the Rockies: they received earlier funding with the promise not to come back and yet here they are, back again; and the same with Virginia City. **SEN. TESTER** stated that maybe for those who made the promise that they would not be back; then maybe they are the ones that should be eliminated from the equation. **REP. VICK** stated that he's not advocating that, he is just making a comment. **CHAIRMAN MCCANN** thanked the committee for being informative; he further stated to **REP. KASTEN** that his amendments would probably fail on the premise that we are going to wait and do as **SEN. BECK** suggested and the Chairman of the Financing Claims, **SEN. KEENAN** suggested: that we hold the bill, take our fair share out of HB 9, as all other committees are doing, and the appropriate way to do that, to begin with is, instead of taking percentages of the general funds, just to take out the grants, the one's they do not like, then leave the bill alone. If we need further adjustments, he would be glad to entertain an amendment from **REP. KASTEN** when they move the bill out and reflect the other committee's actions. He believes it has to be something to where they are fair in the process to all Montanans when it comes to HB 9 reflecting what it is that the other committee's are working on as well. He believes they all understand what they are trying to do here. He can't argue **REP. VICK'S** logic because he believes he is correct, but he has been

down that road before and encourages them not to start a battle too soon. He asked if **REP. KASTEN** would like to respond.

{Tape : 1; Side : B; Approx. Time Counter : 327 - 362}

REP. KASTEN stated that the reason he was going straight across is because he feels they are important. He requested that they do not take the amendment to mean that they are not important, because they are important. His other amendments are percentages and what is being done overall and that this committee needs to look at that. He will be with **SEN. BECK** when it comes to Long Range Buildings, he has a bunch listed already. After looking at the bill, and being a freshman, he felt the easiest way is to just strike it out; he respects the comments and if it is being held up, he has no problem. **CHAIRMAN MCCANN** stated he appreciated his kindness. The committee would take a break for half an hour for **Brian McCullough** to work out the list showing the increases and decreases. **EXHIBIT(jlh26a05)**

{Tape : 1; Side : B; Approx. Time Counter : 366}

CHAIRMAN MCCANN moved to remove Grant #901 Chief Plenty Coups State Park and recommend zero funding. **SEN. BECK** questioned.

Motion/Vote: **REP. MCCANN** moved **TO REMOVE GRANT #901 CHIEF PLENTY COUPS STATE PARK BE ADOPTED AS AMENDED**. Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 375}

CHAIRMAN MCCANN moved to fund KUFM half of their recommendation from \$22,000.00 to \$11,000.00. **SEN. BECK** questioned.

Motion/Vote: **REP. MCCANN** moved **TO FUND GRANT #917 KUFM-TV HALF THE RECOMMENDATION A DECREASE TO \$11,000.00 BE ADOPTED AS AMENDED**. Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 386}

CHAIRMAN MCCANN moved to remove Grant #906 Montana Five Rivers Festival of Film to zero funding. **SEN. BECK** questioned.

Motion/Vote: **REP. MCCANN** moved **TO REMOVE GRANT #906 MONTANA FIVE RIVERS FESTIVAL OF FILM TO ZERO FUNDING. BE ADOPTED AS AMENDED**. Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 392}

SEN. TESTER moved to remove MSU Dept. of Music Grant #912 to zero. **SEN. BECK** questioned.

Motion/Vote: **SEN. TESTER** moved **TO REMOVE GRANT #912 DEPT. OF MUSIC, MSU TO ZERO BE ADOPTED AS AMENDED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 397}

SEN. BECK moved to fund \$5,000.00 to the Mineral Museum.

Motion/Vote: **SEN. BECK** moved **TO FUND GRANT #923 MINERAL MUSEUM FOR \$5000.00 BE ADOPTED AS AMENDED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 406}

SEN. TESTER moved to bump Grant #952 Livingston Depot up \$5,000.00 to a total of \$15,000.

{Tape : 1; Side : B; Approx. Time Counter : 441}

Discussion: **CHAIRMAN MCCANN** informed the committee that if they had to recognize further reductions, that this one might be a candidate.

Motion/Vote: **SEN. TESTER** moved **TO INCREASE GRANT #952 LIVINGSTON DEPOT FOUNDATION BY \$5,000.00 GIVING THEM A TOTAL OF \$15,000.00. BE ADOPTED AS AMENDED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 453}

SEN. TESTER moved to increase the Belt Public Library to full funding.

Motion/Vote: **SEN. TESTER** moved **TO INCREASE GRANT # 971, BELT PUBLIC LIBRARY TO ITS FULL FUNDING OF \$16,500.00 BE ADOPTED AS AMENDED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 461}

SEN. TESTER moved to increase the Liberty Village Arts Center to full funding.

Motion/Vote: **SEN. TESTER** moved **TO INCREASE GRANT #980, LIBERTY VILLAGE ARTS CENTER TO ITS FULL FUNDING OF \$2,775.00. BE ADOPTED AS AMENDED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 469}

REP. KASTEN moved to reduce in half the Holter Museum.

Motion/Vote: **REP. KASTEN** moved **TO REDUCE IN HALF THE FUNDING FOR GRANT #951 HOLTER MUSEUM OF ART FOR A TOTAL FUNDING OF \$10,000.00. BE ADOPTED AS AMENDED. Motion carried unanimously.**

{Tape : 1; Side : B; Approx. Time Counter : 486-501}

SEN. BECK questioned the stars next the Fort Peck Community College on the revised list (**EXHIBIT 5**). **SEN. TESTER** responded.

{Tape : 2; Side : A; Approx. Time Counter : 0}

CHAIRMAN MCCANN informed the committee that they have created a net surplus of \$76,000.00 of revenue left after **REP. KASTEN'S** motion. **SEN. BECK** questioned if that would be general fund. **CHAIRMAN MCCANN** responded that it would be recognized as general fund. **CHAIRMAN MCCANN** requested **REP. VICK** to provide input on how the other committee's are working in their reductions in their budgets. **REP. VICK** provided the figures and plan for the general fund. **CHAIRMAN MCCANN** stated that he will hold the bill in the committee now and if there need to be further reductions, then the committee will work on them. This is the end of the committee action for today.

{Tape : 2; Side : A; Approx. Time Counter : 49-234}

Discussion: **CHAIRMAN MCCANN** stated that for the future, he would like recommendations on how to deal with HB 9; to shorten the amount of time spent for only \$900,000.00. He would also entertain recommendations for all past agendas on HB 6, HB 7, HB 10, HB 12. This committee should never let go of HB 9, but to spend only one day working on the grants. One thought would be for two people to come to Helena to hear the grant proposals and then bring those in to committee for one morning, work it out and then send it on. He is opposed to turning it over to the Council at their discretion, but he believes there is a different approach to this than the 3-4 ½ days for the committee meetings. **SEN. TESTER** thought it would be a good idea. **REP. VICK & REP. KASTEN** agreed. **Judy Ericksen, Carleen Layne** and **Mark Browning** provided input. **CHAIRMAN MCCANN** questioned if it would require a committee bill to change this process. **Jane Hamman** stated she thought it would not be necessary; just a change in procedure and she would look in to that. There was further discussion.

HB 15

{Tape : 2; Side : A; Approx. Time Counter : 247}

CHAIRMAN MCCANN informed the committee that the Department of Justice is going to ask for a committee bill; in the process of asking for that committee bill the committee will table HB 15.

Proponents' Testimony:

Larry Fasbender, Deputy Director, Department of Justice, provided an overview to the committee with their plans for bonding/loan from the Board of Investments; cost of the project and how they would raise funds through Department of Vehicle fees to pay for the project. A draft of the committee bill was provided.

EXHIBIT(jlh26a06) He also provided a handout entitled "Motor Vehicle System Debt Funding Projects". **EXHIBIT(jlh26a07)** He further discussed the charges by the Board of Investment. He also introduced the Gambling Control Division to explain their request for funding for the automated accounting system.

{Tape : 2; Side : A; Approx. Time Counter : 341-516}

Gene Huntington, Gambling Control Division, Department of Justice, he provided a handout indicating different interest rates. **EXHIBIT(jlh26a08)** He provided the history background and their budget. **CHAIRMAN MCCANN** and other members of the committee had questions and Mr. Huntington provided answers.

{Tape : 2; Side : B; Approx. Time Counter : 0}

The committee continued asking questions about the cost of the computers, the number to be bought, number of locations, maintenance, upgrades, replacement, how the reporting functions, tax credit incentive and other questions. **Rick Ask, Operations Chief-Video Gambling, Department of Justice**, responded. **REP. VICK** questioned if after the 5 year warranty that the equipment will be the responsibility of the owner. **Rick Ask** stated that is their vision. **CHAIRMAN MCCANN** questioned if that was in statute or just an agreement. **Rick Ask** responded that there were no specifics in configuration or assumption of responsibility at this point in time in the statute. **SEN. TESTER** requested that question be re-directed to **Rich Miller**.

{Tape : 2; Side : B; Approx. Time Counter : 162-185}

Rich Miller, Executive Director for Gaming Industries Association, responded with the cost to both the state and the association; it is still under discussion as to who will be responsible for maintenance, warranties and who owns the systems.

{Tape : 2; Side : B; Approx. Time Counter : 195-218}

CHAIRMAN MCCANN stated that before entering a letter of credit that those types of agreements should be ironed out. **Gene Huntington** responded.

{Tape : 2; Side : B; Approx. Time Counter : 225}

Rich Miller, Executive Director for Gaming Industries Association, stated the association is in favor of the program and believes this will work to the benefit to all. **REP. VICK** asked what is a DCU and its function. **Rich Miller** responded that it is a data collection unit (different than a data collection server) and then explained the process of how it processes and sends the data. **CHAIRMAN MCCANN** questioned the cost of a DCU. **Rich Miller** responded with the different costs for the different phases. **CHAIRMAN MCCANN** requested if they could put together a handout showing all costs for the equipment.

{Tape : 2; Side : B; Approx. Time Counter : 305}

Dean Roberts, Administrator, Department of Motor Vehicle Division, he provided a handout of his presentation from his first testimony. **EXHIBIT(jlh26a09)** He then provided the committee with background history on the system, the problems they now have and how the new system would improve overall information collection that would assist them in reporting accurate statistics. He stated that they have used the Request For Proposal (RFP) from the state of Maine as a guide for their project since it is about the same size as Montana and the use of county treasurers to register vehicles. Maine's RFP is an estimate of \$20,000,000.00 and the department is using that as a basis. He provided a copy of a letter from Susan M. Miller, Treasurer of Jefferson County explaining the pros and cons of the current system. **EXHIBIT(jlh26a10)**

{Tape : 2; Side : B; Approx. Time Counter : 476}

Tom Harrison, representing the Montana Auto Dealers Association, stated that their President **Steve Turkiewicz** would have been here, but he had to attend a convention out-of-state. He explained their interest in the system and the benefit to the consumers. He stated they are in favor of modernizing this system and are in support of the project.

{Tape : 3; Side : A; Approx. Time Counter : 0}

John Cadby, Executive Vice President/CEO, Montana Bankers Association, described his work experience over the last 30 years and his experience of the complaints from consumers about the process of registering a vehicle for title, lenders getting releases and titles, etc. He discussed how it would save dealers money when they can immediately identify any lien on a trade in.

{Tape : 3; Side : A; Approx. Time Counter : 86}

Bob Pyfer, Executive Vice President, Montana Credit Unions League, he described the importance of easy access to information for their lending process. He is in favor of this project.

Opponents' Testimony: None.

{Tape : 3; Side : A; Approx. Time Counter : 98}

Questions from Committee Members and Responses:

REP. KASTEN questioned who else supports this project. **Dean Roberts** responded. **CHAIRMAN MCCANN** questioned the use of a Letter of Credit. **Carroll South, Executive Director, Montana Board of Investments,** described the inception; history and functions of the program and the Letter of Credit. **CHAIRMAN MCCANN** questioned the difference between a Letter of Credit and Line of Credit. **Carroll South** responded. **SEN. TESTER** questioned the advantage in borrowing. **Carroll South** explained how his program is much more flexible than a G. O. Bond. **CHAIRMAN MCCANN** questioned if the change of the legislature had an effect on the commitment to the loans. **Carroll South** responded. **REP. VICK** questioned the limit allowed and if there is concern should it go higher. **Carroll South** responded; **Jane Hamman** provided further information. **REP. KASTEN** would like a spread sheet indicating the obligations from the coal tax. **Carroll South** stated that he would get that information to them today; it is a part of their annual report. **CHAIRMAN MCCANN** questioned if they gave consideration to the project they are funding. **Carroll South** stated they did not; but that if the University System had been turned down by the committee that they would not consider the project either.

Brian McCullough, questioned how the Maine RFP was processed and costs to maintain their current system. **Dean Roberts** and **Steve Tesinsky** responded. **Brian McCullough** questioned the type of software program they were considering using and the cost to license the system. **Steve Tesinsky** responded. **REP. KASTEN** commented on his concerns with the state's past experiences with computer systems and their failure to be adequate. **CHAIRMAN**

MCCANN commented on the needs for Montanans and the needs of the Motor Vehicle Division and that the committee needs more time before making a decision. **REP. VICK** questioned he would like more information on what the \$20 million will buy. **Dean Roberts** responded. **Larry Fasbender** informed the committee they will be alert to the past pitfalls of other systems and eliminate that repeating in their system; and having an oversight committee. **CHAIRMAN MCCANN** questioned if the oversight committee was in the bill. **Larry Fasbender** responded.

{Tape : 3; Side : B; Approx. Time Counter : 0}

REP. TESTER commented that before the committee takes action, they need more information on what the system will be addressing.

CHAIRMAN MCCANN discussed the committee bill and that it addresses the Department of Justice and their needs. It originally included the University System.

{Tape : 3; Side : B; Approx. Time Counter : 22}

Cathy Conover, Montana State University, stated that it was suggested that they move their project for the public broadcast digital conversion from HB 15 into HB 14.

{Tape : 3; Side : B; Approx. Time Counter : 36}

REP. VICK moved to table HB 15.

Motion/Vote: **REP. VICK** moved **TO TABLE HB 15 BE ADOPTED**. Motion carried unanimously.

CHAIRMAN MCCANN entertained a motion to provide for a committee bill on the letter of credit. **SEN. TESTER** so moved.

{Tape : 3; Side : B; Approx. Time Counter : 39}

Motion/Vote: **SEN. TESTER** moved **TO PROVIDE A COMMITTEE BILL ON THE LETTER OF CREDIT FOR THE DEPT. OF JUSTICE FOR \$21.120 MILLION BE ADOPTED**. Motion carried unanimously.

SEN. TESTER questioned how it is amended in HB 14. **Jane Hamman**, stated that the University would make the presentation.

Meeting adjourned.

ADJOURNMENT

Adjournment: 11:40 A.M.

REP. MATT MCCANN, Chairman

ANDREA HYATT, Secretary

MM/AH

HB 9 - 1 Exhibit #4

HB 9 & HB 15 - 9 Exhibits #1, #2, #3, #5, #6, #7, #8, #9, #10

EXHIBIT (j1h26aad)